GOVERNMENT OF INDIA
CHEMICALS AND FERTILIZERS
LOK SABHA

UNSTARRED QUESTION NO:2001
ANSWERED ON:13.03.2008
FIXATION OF PRICES OF IMPORTED FORMULATIONS BY NPPA
Appadurai Shri M.

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether the National Pharmaceuticals Pricing Authority (NPPA) had been fixing the prices of all imported formulations;

(b) if so, the details thereof;

(c) whether several such imported formulations are being over-charged than the ones fixed by NPPA;

(d) if so, the reasons therefor; and

(e) the action taken by the Government in this regard?

Answer

MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS AND MINISTER OF STATE IN THE MINISTRY OF PARTLIAMENTARY AFFIRS (SHRI B.K. HANDIQUE)

(a) to (e) : The National Pharmaceutical Pricing Authority has been fixing prices of only the Scheduled imported formulations under the provisions of the Drugs (Prices Control) Order, 1995. As per para 7 of the Drugs (Prices Control) Order, 1995 (DPCO 95), in the case of a Scheduled imported formulation, the landed cost shall form the basis for fixing its price alongwith such margin to cover selling expenses and distribution expenses including interest and importer's profit which shall not exceed 50% of the landed cost. The "landed cost" means the cost of import of a formulation inclusive of the customs duty and clearing charges.

Till date in one case one pharma company has deposited Rs.116.59 lacs towards overcharged amount and Rs.6.95 lacs towards interest.